

PRESENTATION BY ED BROOKS
BOARD CHAIR, WISCONSIN FEDERATION OF COOPERATIVES
BOARD CHAIR, FOREMOST FARMS USA
August 4, 2005

Secretary Johanns:

I am Ed Brooks, Chair of the Wisconsin Federation of Cooperatives Board and the Foremost Farms USA Board. I am also a dairy producer in rural Sauk County, Wisconsin, where my wife Barb and I milk 50 cows.

Thank you very much for coming to Wisconsin to hear our views about the upcoming farm bill. Some of the important questions that you pose about the farm bill provide a good framework to highlight a few of the issues that are important to the Upper Midwest.

One of the questions you pose is: *How should farm policy be designed to effectively and fairly distribute assistance to producers?*

One of the programs created in the last farm bill was the Milk Income Loss Contract (MILC) program. That program has been incredibly important to dairy farmers across the country, but particularly in areas like the Upper Midwest or the Northeast, where the dairy economy is such a dominant factor in the overall rural economies of the region. Because of scarce federal dollars, the program places a limit on the assistance that any one producer can receive under the program in a given year. As a result, we've seen a very effective and fair distribution of dollars to dairy farmers. And, unlike other farm commodity programs where the benefits tend to accrue disproportionately to the really large operations, the MILC program and its commonsense limits have resulted in a much more equitable distribution of scarce dollars. All dairy farmers are eligible to receive MILC payments on the first 2.4 million pounds of production. This volume cap means that about 85 percent of all dairy farmers in the country are fully eligible. Even those who exceed that cap are fully eligible up to that level.

We have a strong interest in seeing the MILC program or something similar included in the next farm bill, and we greatly appreciate the President's commitment to seeing that program extended for another two years, to prevent it from expiring at the end of September of this year, as it is currently scheduled to do.

I will close by saying that we see the MILC program as an important supplement to the milk price support program, which is also an important part of the dairy income safety net. However, the milk price support program, by itself in its current form, is an insufficient safety net for dairy producers. Thank you.